

Joint Appropriations Subcommittee on Health and Human Services

Home and Community Based Waiver Services - Assisted Living

Assisted living facility services are paid for under the waiver. Assisted living is one of the most sought-after waiver services. Of the 400+ individuals on the HCBS waiting list, about half of them are waiting for assisted living services. Also, most of those who transition out of nursing homes go to assisted living.

Access to assisted living services is becoming a problem around the state because of the extremely low reimbursement rate for this service.

If nursing home transitions are to continue and those needing assisted living services are to be served under the waiver, the reimbursement rate paid to these providers must increase more than the small percentage increases all providers receive.

Some facilities report losing upwards of \$1,000 per month when they accept Medicaid waiver clients. Many do not accept Medicaid clients, and those that do, limit them to a few slots.

The coalition of providers who met to discuss HCBS priorities agreed that a market-based rate increase for these providers was necessary to improve access.

It would probably take about \$20 per resident day to make a significant difference, but that is probably not possible. However, it is important to begin to work toward appropriate rate adjustments for assisted living.

The estimated cost of providing a \$10 per resident day increase over the biennium (\$5 increase each year) is as follows:

2010	\$260,000 GF
2011	\$548,000 GF

This assumes a 5% increase per year in the number of units provided and a stable state Medicaid match of .3192. If you calculate in the enhanced federal match the GF required will be less than this estimate.